

Meeting of the  
**Association of  
Manitoba  
Municipalities**



with

The Honourable Diane McGifford

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Minister of Advanced Education and Training

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March 12, 2004

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## A) Executive Summary

### 1. Physician Training in Manitoba

- The AMM would like to take this opportunity to bring to your attention a long-standing concern of municipalities- the availability of doctors in communities outside of Winnipeg.
- An important concern of Manitoba municipalities related to doctor shortages concerns the availability of space at Manitoba Universities for doctor training. AMM members argue that spaces in the University of Manitoba's Faculty of Medicine are very limited with no guaranteed accessibility for Manitoba students.
- The AMM argues that rural students may be more likely to return to work in rural areas, and therefore should be encouraged to practice medicine as a career. By ensuring space at the University of Manitoba for rural medical students, the AMM believes the shortage of doctors in communities outside of Winnipeg may be addressed.
- Another important issue related to doctor shortages concerns entry tests for doctors trained out of country. Manitoba students that train in other countries are required to write special tests to return and set up practice in Manitoba, even though they are permitted to practice in the United States and other Canadian provinces without these entry tests.
- The AMM believes this practice may be damaging the ability of Manitoba to recruit doctors, and believes the Province should re-consider the requirement for doctors trained out of country to write competency tests in order to remain competitive with other Canadian provinces and the United States.

**Therefore, the AMM urges the Province to continue to implement measures to make physician training more affordable to Manitoba students, and urges the Province to take all necessary steps to ensure and increase spaces at Manitoba universities for physician training.**

### 2. Water and Wastewater Operator Training

- Municipalities have expressed the need for safe water treatment systems to the AMM on a number of occasions and this is an issue our association has been working on with the Province and other stakeholders for a number of years.
- The AMM has been pleased to be involved in establishing a training program for water and wastewater operators and has representation on this committee. The regulations outlined under the Environment Act require certified operators by August 31, 2004, and AMM members agree that municipalities want the most qualified people to operate water and wastewater systems.

- It is clear that municipalities are willing to co-operate in this important initiative, however adequate funding for certification training is necessary to implement these requirements. In addition, the AMM is concerned that the Department of Water Stewardship is perhaps delaying some of the deadlines under the regulations. The fact remains that the deadline for certification is September 1, 2006, and all municipal water and wastewater operators must be trained by this date.
- Another concern for AMM members in relation to training for water and wastewater operators relates to the availability of this training program in communities outside of Winnipeg.
- The AMM is encouraged by the Province's willingness to offer this training in Brandon and would urge the Government of Manitoba to expand the training program further to remote areas in Manitoba to ensure that all areas have access to water and wastewater certification training.

**Therefore, the AMM urges the Province to ensure that adequate financial support is available for water and wastewater certification training, and to ensure that training opportunities are available in all areas of the province.**

### 3. Education Funding

- An ongoing and important concern for Manitoba municipalities is education funding. In fact, the proportion of education funding coming from property taxes remains the primary concern of AMM members and was chosen as the AMM's number one issue of concern during the 2004 Strategic Planning Session.
- The AMM is pleased to be a part of the Minister's Working Group on Education Finance and would encourage the Province to move forward with the final report.
- In the short term, the AMM argues the Province must stop the habitual increase of property tax funding for education.
- The education component of property tax greatly limits the ability of local governments to fund property services, such as infrastructure maintenance, upgrading and construction.
- The AMM believes that a new formula must be developed that would decrease property tax support for education while not diminishing education quality. The AMM firmly believes that the Province needs to adopt a stable and sustainable education funding ratio of 80 per cent from Provincial general revenues and 20 per cent from property tax revenue levied by local school boards. Furthermore, it is important that once an 80:20 ratio is achieved, it be maintained in future years.

**The AMM urges the Province to move forward with the final report of the Minister's Working Group on Education Finance, and looks forward to discussing the recommendations with the Province, once released. The AMM further urges the Province to adopt a stable and sustainable funding ratio of 80 per cent from Provincial general revenues and 20 per cent levied**

**by local school boards, and that once achieved, this ratio be maintained in future years.**

#### **4. A New Deal for Municipalities**

- All Manitoba municipalities have concerns about the ability of the current taxation system to meet municipal financial requirements. The root of the problem is the gap between the services that municipalities must provide and the resources at their disposal.
- In Manitoba, the infrastructure debt is approximately \$7.4 billion as municipal revenues have failed to keep pace with increasing demands for investment. Although Federal and Provincial revenues have grown significantly over the past four years, Municipal revenues have grown by only four per cent.
- Municipal governments in Canada currently earn 54% of their income from property taxation, a revenue stream that does not increase in times of economic growth. Without a change to this system, infrastructure upgrades will continue to be postponed and the infrastructure debt will only grow larger.
- The AMM hopes that the Province is willing to work with all Manitoba municipalities to access new sources of revenue- including growth revenues, and hopes the Province will respond to the needs of local governments.

**The AMM looks forward to working with the Province to make a new revenue deal for municipalities a reality for local governments across Manitoba.**

## B) Departmental Issues

### 1. Physician Training in Manitoba

The Association of Manitoba Municipalities would like to take this opportunity to bring to your attention a long-standing concern of municipalities- the availability of doctors in communities outside of Winnipeg. The Provincial Government has an important role to play in ensuring these areas can provide adequate medical services to residents and believes that this issue crosses through provincial departmental boundaries, highlighting the need for a co-ordinated and multifaceted solution.

The AMM recognizes the Province's efforts to increase the supply of doctors practicing in communities outside of Winnipeg, and realizes that many of these solutions require some time to take effect. However, the AMM consistently hears from our members that more needs to be done to increase the supply of doctors outside of Winnipeg, and have some proactive suggestions for the Province in meeting its goals to deliver adequate health services to all Manitoba communities.

At the 2003 AMM Convention, members passed a resolution concerning doctor training in Manitoba. AMM members argue that the non-availability of doctors has reached crisis proportions. In fact, this concern has been raised in each district during our municipal district visits this year, making doctor availability one of the most frequently discussed concerns of AMM members across the province.

An important concern of Manitoba municipalities related to doctor shortages concerns the availability of space at Manitoba Universities for doctor training. AMM members argue that spaces in the University of Manitoba's Faculty of Medicine are very limited with no guaranteed accessibility for Manitoba students. The AMM would like the Provincial Government to take all necessary steps to increase spaces at the University of Manitoba for doctor training in order to address the needs of communities outside of Winnipeg. Currently, there are 85 spaces for students entering the Faculty of Medicine at the University of Manitoba, 75 of which are dedicated to Manitoba students. Although the AMM agrees that it is important to ensure adequate space for Manitoba students, the AMM argues that the Province could do more to encourage rural Manitoba students to apply to medicine. The AMM argues that rural students may be more likely to return to work in rural areas, and therefore should be encouraged to practice medicine as a career. By ensuring space at the University of Manitoba for rural medical students, the AMM believes the shortage of doctors in communities outside of Winnipeg may be addressed.

Another important issue related to doctor shortages concerns entry tests for doctors trained out of country. Manitoba students that train in other countries are required to write special tests to return and set up practice in Manitoba, even though they are permitted to practice in the United States and other Canadian provinces without these entry tests. While it is of paramount importance that the Province ensure those practicing medicine in Manitoba are qualified and capable, this policy puts Manitoba at a disadvantage in relation to other provinces and the United States. The AMM believes this practice may be damaging the ability of Manitoba to recruit doctors, and believes the Province should re-consider the

requirement for doctors trained out of country to write competency tests in order to remain competitive with other Canadian provinces and the United States.

The AMM acknowledges the efforts the Province has made to recognize the importance of locally trained physicians. The medical student/ resident financial assistance program is one such measure, and provides financial assistance in the form of a conditional grant to students studying medicine in Manitoba, or to physicians establishing a practice in Manitoba upon graduation. The recent decision to increase residency salaries is another positive step, and the AMM strongly encourages such policies that recognize the important contribution of locally trained physicians in providing high-quality health services that meet the needs of Manitobans. However, the AMM believes there is still much to be done to increase the supply of doctors practicing outside of Winnipeg, and would encourage your government to examine pro-active measures to increase the opportunities for students to train for the medical profession, and to consider measures to recruit those most likely to live in communities outside of Winnipeg into medical programs at Manitoba universities.

In closing, the AMM would like to highlight the importance of doctors to rural areas of Manitoba. Without an adequate supply of doctors willing to practice in rural areas, hospitals around the province will continue to close. Hospitals are a big part of economic development in rural areas, and if hospitals close, the community loses a big part of its economic development potential. Ensuring an adequate supply of doctors practicing in rural areas will help to strengthen both the local economy and the community's social well-being, and the AMM encourages the Province to take all necessary steps to address doctor shortages in rural areas.

**Therefore, the AMM urges the Province to continue to implement measures to make physician training more affordable to Manitoba students, and urges the Province to take all necessary steps to ensure and increase spaces at Manitoba universities for physician training.**

## AMM RESOLUTION NUMBER 28 – 2003

**Sponsor(s):** Arborg, Town (No District) and Bifrost, RM (No District)

**Topic:** Doctor Training in Manitoba

**Department(s):** Manitoba Health  
Manitoba Education and Youth

WHEREAS the non-availability of doctors in rural Manitoba has reached crisis proportions;  
AND WHEREAS spaces at our universities are very limited with no guaranteed accessibility for Manitoba students;  
AND WHEREAS Manitoba students consequently need to go to other countries to train in the medical profession;  
AND WHEREAS Manitoba students who train in other countries are required to write special tests to return to set up practice in Manitoba even though they are permitted to practice in the United States and some other Canadian provinces without these entry tests;  
Therefore Be It Resolved That all necessary steps to ensure and increase spaces at Manitoba universities for doctor training be immediately implemented to adequately address the needs of rural Manitoba;  
AND BE IT FURTHER RESOLVED THAT the Provincial Government be aggressively persuaded to help make doctor training more affordable for Manitoba students;  
AND BE IT FURTHER RESOLVED THAT if entry tests are deemed necessary for Manitoba doctors trained out of country, that the appropriate governing body ensure that the tests be set up in such a manner that those new doctors can write the tests and have the results within 10 days to alleviate additional expenses incurred attributable to that delay in obtaining results.

## 2. Water and Wastewater Operator Training

Manitoba municipalities have always been concerned with ensuring that ratepayers have safe, clean, potable water. Although the tragedies of Walkerton and North Battleford helped to illuminate the importance of safe water treatment systems, AMM members have long been aware of the need to ensure that their systems are safe. Municipalities have expressed the need for safe water treatment systems to the AMM on a number of occasions and this is an issue our association has been working on with the Province and other stakeholders for a number of years.

In early 1998, a number of key stakeholders began meeting to discuss ways to improve Manitoba's water treatment system, including the mandatory certification of water and wastewater operators. The majority of AMM members agree with this requirement and are generally supportive of any regulation that would improve the safety of these systems, many of which are municipally owned. The AMM was actively involved in developing this regulation, which requires all facilities apply to have their systems classified by August 31, 2004 and to ensure that only certified operators are employed by September 2006. In fact, the AMM strongly believes that water treatment systems are only as good as those that operate them. A state-of-the-art system is only of value if there is a well-trained and capable operator available. It is because of this reality that the AMM has pushed strongly for the educational component of the water and wastewater operator certification program.

The AMM has been pleased to be involved in establishing a training program for water and wastewater operators and has representation on this committee. The regulations outlined

under the Environment Act require that all operators be certified by September 1, 2006, and AMM members agree that municipalities want the most qualified people to operate water and wastewater systems. It is clear that municipalities are willing to co-operate in this important initiative, however adequate funding for certification training is necessary to implement these requirements. In addition, the AMM is concerned that the Department of Water Stewardship is perhaps delaying some of the deadlines under the regulations. The fact remains that all operators employed at a facility must be certified by September 1, 2006.

Another concern for AMM members in relation to training for water and wastewater operators relates to the availability of this training program in communities outside of Winnipeg. For many operators, it is difficult to travel to Winnipeg to attend training programs and the AMM would encourage the Province to bring this training program to all areas of the province. The AMM is encouraged by the Province's willingness to offer this training in Brandon and would urge the Government of Manitoba to expand the training program further to remote areas in Manitoba to ensure that all areas have access to water and wastewater certification training.

**Therefore, the AMM urges the Province to ensure that adequate financial support is available for water and wastewater certification training, and to ensure that training opportunities are available in all areas of the province.**

## C) General Issues

### 1. Education Funding

An ongoing and important issue for Manitoba municipalities is education finance. In fact, the proportion of education funding coming from property taxes remains the primary concern of AMM members and was chosen as the AMM's number one issue of concern during the 2004 Strategic Planning Session. The AMM is pleased to be included as a part of the Minister's Working Group on Education Finance and is pleased that the Province is including a municipal voice in its review. The final report of the working group was expected originally in October 2003 but has been delayed and the AMM would encourage the Province to move forward with this report. As the recommendations will not be available in time for the 2004 school budget process, the AMM would urge the Province to hold constant the current municipal and provincial contributions to education so that ratepayers are not further burdened by an increase in property taxes. The AMM is aware that property tax support for education has increased each year, and believes this situation must be halted. After the final report is released, our association looks forward to reviewing the recommendations of the working group and to collaborating with the Province to develop a new and sustainable system of education finance in Manitoba.

Education funding will continue to be a major issue for local governments in the coming year, as many school divisions are set to increase local levies, placing further pressure on local ratepayers. For example, the AMM understands that the Border Land School Division is set to increase its local levy by approximately seventeen per cent this year, and is considering greater increases for next year. Therefore, local education costs continue to

increase, even when school divisions may have surpluses that they could use to offset these increases. The AMM believes this current situation is unsustainable, and urges the Province to address this issue immediately.

The education component of property tax greatly limits the ability of municipalities to provide property services, such as infrastructure maintenance, upgrading and construction. The NDP election promise to phase out the Education Support Levy (ESL) over the next five years is welcomed, as this will partly assist in reducing the tax burden. The AMM acknowledges the efforts the Province has made so far, and we are pleased to see that a \$27 million reduction in the ESL has been achieved since 1999. However, the AMM believes that a new formula must be developed that would decrease property tax support for education while not diminishing the quality of education. Local schools are required to provide up-to-date learning tools, including current teaching materials and computer hardware and software, and the AMM does not believe that reducing property tax support for education should compromise the quality of education that Manitoba youth receive.

The AMM firmly believes that the Province needs to adopt a stable and sustainable education funding ratio of at least 80 per cent from Provincial general revenues and a maximum of 20 per cent from property tax revenue levied by local school boards, a formula recommended by our own Task Force that examined this issue in great depth. In addition, it is important that once the 80:20 ratio is achieved, it be maintained in future years. It is clear that the current system is not sustainable, and the AMM urges that the reform of education funding be substantive and fair. The AMM again expresses its appreciation for being a part of the

Minister's Working Group on Education Finance and looks forward to the release of the final report in the near future.

**The AMM urges the Province to move forward with the final report of the Minister's Working Group on Education Finance, and looks forward to discussing the recommendations with the Province, once released. The AMM further urges the Province to adopt a stable and sustainable funding ratio of 80 per cent from Provincial general revenues and 20 per cent levied by local school boards, and that once achieved, this ratio be maintained in future years.**

## 2. A New Deal for Municipalities

A relatively new and emerging issue for Municipal Governments in Manitoba concerns a new revenue deal for municipalities. Although the Federation of Canadian Municipalities (FCM) has been calling for a new system of municipal finance for some time, the City of Winnipeg has initiated substantial discussion on this issue in Manitoba. The AMM believes this discussion has important ramifications for all Municipal Governments as all Manitoba communities have concerns about the ability of the current system of taxation to meet municipal financial obligations. Manitoba's prosperity and quality of life is determined largely by the health of its municipalities. Vibrant, sustainable communities are crucial to attracting the skilled, creative people who are key to this province's success. However many municipalities across Manitoba are struggling; their resources have not kept pace with their growing responsibilities for physical and social infrastructure.

The root of the problem is the gap between the services that municipalities must provide and the resources at their disposal. Municipal revenues have failed to keep up with the increasing demand for infrastructure investment. Across Canada as a whole, over the past four years, Federal Government revenues have increased sixteen per cent, Provincial/Territorial revenues increased twenty-one percent and Municipal revenues only four per cent. Canada's core municipal infrastructure debt has been estimated at about \$60 billion and growing at a rate of \$2 billion annually. In Manitoba, the infrastructure investment debt hovers in the range of \$7.4 billion: \$3.4 billion for Manitoba's highway system; \$2 billion for rural municipal infrastructure; \$1 billion for rural land drainage; and \$1 billion for Winnipeg's infrastructure deficit.

Infrastructure debt passes on the costs of today's use and consumption of infrastructure to future generations, limiting their ability to meet impending infrastructure needs. Furthermore, failure to address the infrastructure debt breaches the principles of sustainable development. Infrastructure should be regarded as an investment and not solely as a payment or cost. However, it does require sustained investment, effort and organization to be maintained properly.

It is clear that the current situation is unsustainable and municipalities must gain access to new revenue sources. Municipal Governments in Canada currently earn 54% of their revenue through property taxation, a revenue stream that does not increase in times of economic growth. In Manitoba, increasing school division levies have resulted in Municipal Governments maintaining current levels of property taxation to respond to ratepayer demands, leaving municipalities with less revenue to maintain property services. Without a change to this system of taxation, infrastructure upgrades will continue to be postponed and the infrastructure debt will only grow larger. Manitobans know that their Municipal Governments are accountable and responsive. They want the order of government closest to them to have access to new sources of revenue and they want the tax burden on municipalities lowered.

Municipal Governments are in an ideal position to deliver many services, however, increasing municipal responsibilities have resulted in more demand for services with less revenue to meet these demands. In Manitoba, many examples of increasing municipal responsibilities without commensurate financial compensation exist. For example, the

Province provides Manitoba Universities- and research institutions affiliated with the Universities- a property tax exemption, but do not provide any grant-in-lieu to affected municipalities to compensate for the loss of property tax revenue. This results in municipalities having to subsidize Universities, despite the fact that this is not a municipal responsibility. Another example is the Province's decision to revert certain provincial roads and drainage infrastructure back to municipalities without appropriate financial compensation. A further example is the decision to charge municipalities for retail sales tax on mechanical and electrical contracts, which increases the cost of building new infrastructure. Policies such as these place increasing responsibility on Municipal Governments, reduce the municipal tax base, and divert much needed funding from municipal infrastructure priorities.

This is an important debate for all Municipal Governments in Manitoba, and one that should involve the input of all stakeholders. In fact, partnership must be at the heart of a new revenue deal for municipalities and Manitoba municipalities believe that the three orders of government must work together to deliver municipal priorities. The Federal Government has committed to raising the municipal GST rebate to 100 per cent and has also committed greater funds to existing infrastructure programs, and the AMM is very pleased that the Federal Government responded quickly and in the spirit of partnership to address municipal concerns. Furthermore, there are suggestions that municipalities may receive a portion of the federal fuel excise tax, an exciting prospect for Municipal Governments in Canada and one supported by the Federation of Canadian Municipalities. There is much that the Province of Manitoba can do as well, and the decision to pass all Provincial fuel tax back to transportation infrastructure is a good starting point. The AMM was very pleased to see this

introduced into the Legislature, under the Gas Tax Accountability Act. However, there is much more that needs to be done to address the growing revenue needs of Municipal Governments in Manitoba. The AMM hopes that the Province is willing to work with Municipal Governments to access new sources of revenue- especially growth revenues, and hopes the Province will remain responsive to the needs of local governments. The AMM looks forward to consulting with the Province to make this new deal a reality for all municipalities in Manitoba.

**The AMM looks forward to working with the Province to make a new revenue deal for municipalities a reality for local governments across Manitoba.**